

Memorandum

To: Gabriel A. Penagaricano, Esq., counsel for PRPB
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Luis E. Saucedo, Esq., U.S. Department of Justice
Jorge Castillo, Esq., U.S. Department of Justice
Katherine Chamblee-Ryan, Esq., U.S. Department of Justice

Cc: John Romero, Federal Monitor
Denise Rodriguez, Deputy Federal Monitor
Luis Hidalgo, Associate Federal Monitor
Roberto Abesada-Aguet, Esq., General Counsel

From: Dr. Alejandro del Carmen, Special Master
Thomas Petrowski, Esq., Assistant Special Master
Gilberto Bali, Assistant Special Master
Gary Loeffert, Assistant Special Master

Re: *United States of America v. Commonwealth of Puerto Rico*,
Civil No. 12-2039 (FAB)

Date: 04/15/2024

After the Court appointed the Special Master *sua sponte* on December 4, 2018, the Parties entered a Joint Stipulation Effectuating the Participation of the Special Master (Joint Stipulation), ECF No. 1148 (Mar. 15, 2019). The Joint Stipulation mirrors the budget process for the Monitor, requiring that the Special Master submit a proposed annual budget for approval at least sixty days prior to the end of the budget year and that the Parties file the agreed-upon budget with the Court. *Jt. Stipulation* ¶ 28. The Court approved the Joint Stipulation on March 18, 2019. Order, ECF No. 1152 (Mar. 18, 2019).

Pursuant to this stipulation, the Office of the Special Master (OSM) will prepare and submit a proposed annual budget running from July 1st to June 30 of the subsequent year. This proposed budget must be submitted to the parties at least sixty days prior to the conclusion of each budget year for approval. The stipulation further states that:

The Parties and the OSM agree to discuss and negotiate the proposed annual budget in good faith to ensure the OSM has sufficient and necessary resources to carry out their duties under the Joint Stipulation. The agreed upon budget shall be filed with the Court through an informative motion before the start of each operating budget period. If the Parties and the OSM are unable to agree on an annual budget, any Party or the OSM may request this Court to resolve the matter. The Court's resolution shall be binding on all Parties.

EXHIBIT B

Dr. Alex del Carmen, Special Master, has donated all his travel-related expenses for FY24. This savings has allowed other members of the OSM team to travel to Puerto Rico and attend status conferences. In addition, the OSM has not requested an increase to its budget in the past three fiscal years, has not requested an increase in hourly wages, and has not exceeded its allocated budget with the addition of an assistant special master in Fiscal Year 2023.

In compliance with the foregoing, the OSM hereby submits to the Parties its proposed budget for Fiscal Year 2025 (FY25) for the period July 1, 2024 to June 30, 2025).

During Fiscal Year 2024 (FY24), which ends June 30, 2024, it is estimated the OSM will spend nearly all the allocated budget and will likely add a small amount to the carryover balance from previous years. The OSM will not seek an increase in its FY25 budget and proposes its budget remains at \$507,000 which again includes \$480,000 for professional services and \$27,000 for travel.

The Special Master further proposes that while the OSM budget remains at \$507,000, the Court should only allocate \$457,000 to be deposited to the OSM account and \$50,000 of the carryover/unused funds going into FY25 be used.

DETAILS

Budget for FY24:	\$507,000.00
Budget funds spent July 2023 through March 2024:	\$384,074.21
<u>Estimated</u> expenditure for the remaining 3 months of FY24:	\$110,000.00
<u>Estimated</u> amount to be added to the carryover balance:	\$12,925.79
Current balance of carryover/unused funds from previous Fiscal Years:	\$62,097.22
<u>Estimated</u> balance of carryover/unused funds going into FY25:	\$75,023.01
The OSM proposed budget for FY25:	\$507,000.00
Amount of carryover/unused funds to be used in FY25:	\$50,000.00
Amount to be allocated by the Court for FY25:	\$457,000.00